

Congress Told Railroads Are

Facing Ruin

S. H. Beach, New York Savings Banks Association, Says Securities Are Hazardous

**Says Securities Are Held
by Moderate Means People**

Ask Constructive Relief

**Warfield Plan Will Keep
Roads From U. S. Owner-
ship or Bankruptcy
Johnston Declares**

WASHINGTON, Aug. 15.—Unless Congress gives the railroads constructive relief the economic situation will overwhelm the railroads and force them into receivership or under government

The same view was voiced by Samuel H. Beach, president of the Savings Bank Association of the State of New York, representing the state of New York with an investment of \$2,000,000 in the railroads.

Half the people of the United States are directly interested in the return of the roads to private ownership on a basis that will afford adequate protection to security holders, declared Mr. Beach.

Are Facing Destruction

"It is the firm conviction," he added, "that the railroads cannot avoid destruction and eventual government absorption unless they are assured of a return of not less than 6 per cent of their investment. If they are to stop, by act, the knife of treasury

"Many people think railroad securities are mainly owned and held by the wealthy. The fact is that the majority of the liquid wealth of the nation consists of the small accumulations of the many rather than of the larger holdings of the few.

"This plan provides that Congress shall, by specific act, provide that the

"The vital point of this measure is that if roads having the average of efficiency can be assured of a return of 6 per cent by act of Congress, it will settle and take out of the hands of the Interstate Commerce Commission the much vexed question of 'what should

"Nothing in human experience affords a precedent for such operation of railroads as the last two years have witnessed. Operating costs have mounted so far out of proportion to receipts that the bonds of at least eight or nine railroads, which were eligible before the war, are now practically valueless."

"What we want is to have such legislation enacted as will bring the railroad companies up to the requirements of the law."

"The proposals of the Warfield plan have been formulated on the theory that the law is defective and to perfect the system of regulation begun in 1887 before abandoning it for drastic economic revolutions," said Mr. Johnston.

"I am confident that our proposals will afford a basis upon which all conflicting theories can agree as necessary to sustain the service of the railroads upon relinquishment of Federal control."

Against Radical Changes

"We suggest no radical, complicated or untried process," urged Congress to put into effect certain changes which have been found by experience to be essential both to the protection of railroads and to the protection of the public interest in transportation.

"If Congress does not take courageous and constructive action now the progress of a generation toward a regulated and efficient transportation system will be retarded."

"We freely acknowledge the propriety of the main features of the bill introduced by the committee. The

introduced by Mr. Esch. The measure we formulated embodies substantially all of the advances proposed in the Esch bill, but accompanies them with the indispensable provisions necessary to protect American transportation from headlong bankruptcy. We earnestly caution the committee against the report of any bill without provisions for constructive relief."

Congressman Siegel's bill, to compel the marking of the cost as well as the selling price on merchandise offered for sale by retailers is unconstitutional, in the opinion of J. J. Esch, chairman of the House Committee on Interstate and Foreign Commerce, to which the bill has been referred. This information was contained in a telegram received by the National Gar-

To aid in obtaining definite information concerning the retail trade, which may be of value in presenting the retailers' side of the high price question.

the association yesterday sent a questionnaire to all its members. The percentage of increase in general prices during the last two years, increases in overhead, and whether the increases are due mainly to larger salaries for selling help, non-selling help or increased wholesale costs, are requested.

Chemists to Visit Plants

In the Philadelphia District

At the annual fall meeting of the American Chemical Society to be held in Philadelphia September 2 to 6 in

The present plans of the committee in charge of the convention call for visits to a number of prominent chemical and industrial establishments in the vicinity of Philadelphia and a boat

Papers dealing with the larger problems which chemists are now confronting will be read by members of the various divisions of the society. The dye section, which will be organized

at this meeting, is preparing an interesting programme on the dye situation